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No. 83-570  
IN THE

# Supreme Court of the United States

October Term, 1982

W. EUGENE SCOTT, PH.D.,

*Petitioner,*

vs.

JOEL ROSENBERG, *et al.*,

*Respondents.*

**Brief of the Honorable Mervyn M. Dymally and Mr.  
Paul Diederich, Amicus Curiae, in Support of  
Petition for a Writ of Certiorari to the United States  
Court of Appeals for the Ninth Circuit.**

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**Interest of the Amici.**

The Honorable Mervyn M. Dymally and Mr. Paul Diederich join in their support of the Petitioner before this Court. Their respective interests are set forth below.\*

The decision of the Ninth Circuit below would make unlimited supervision by the FCC of churches and their finances and unlimited disclosure to the FCC of individual donation records, including donation amounts, the price of receiving religious contributions to a church ministry that broadcasts. It is the belief of the Honorable Mervyn M.

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\*Both parties consent to the instant amicus brief; copies of letters from counsel for the Petitioner and the Respondents are forthcoming, reciting said consent.

Dymally that the Supreme Court, and not an administrative agency, should resolve the relevant issues, including the limits of government encroachments upon the rights of churches to protect the congregations' and contributors' rights to anonymous giving as a part of their religious belief. As one familiar with the operations of various federal administrative agencies, this belief is further strengthened by the open dissension and confusion with the upper echelon of the FCC itself, as documented hereafter, concerning whether there should be any procedures, rules, or regulations at all governing inquiries into churches or donations to churches.

The interest of Mr. Diederich is to underscore the unconstitutionality of the FCC's investigation into donor records, particularly where it has been proven that the allegations of fraud said to have justified the investigation were never made, and that the 'allegations' themselves were false. Indeed, the interest of Mr. Diederich is singularly important, as he is alleged to have been the first to complain to the FCC of fraudulent practices having been committed by Faith Center and/or Petitioner though in fact he has repeatedly denied ever having made such a complaint, as hereafter documented.

## REASONS FOR GRANTING THE WRIT.

The urgent importance of Petitioner's case does not lie simply in the violations of his due process rights and religious freedoms effected by the Respondents' fraud as recited in his petition. Instead, the importance of the instant case is placed in sharper relief by open recognition that the FCC has been unable to contain *overt* acknowledgements from FCC officials themselves of serious misgivings concerning the FCC's performance in regard to their handling of Petitioner and the licensing proceedings involving the church, Faith Center, that he pastors. Particularly at issue is the Mass Media Bureau's handling, or mishandling, of licensees during application renewal proceedings, and Faith Center's in particular. Thus, resolution of the instant case is as necessary to address the confusion within the FCC itself concerning the parameters of, and necessary safeguards to, the proper constitutional exercise of its powers as it is to redress the injury suffered by Petitioner.

For example, Mark S. Fowler, Chairman of the FCC, has publicly stated that there should be

No renewal filings, no ascertainment exercises, no content regulation, no ownership restrictions beyond those that apply to media generally (. . .) no Brownie points for doing this right, no finger-wagging for doing that wrong . . .

he himself demanding to know

. . . What other business is subject to this system? What other business would put up with such a zoo parade, where a businessman's handiwork and life's labor can be snatched away by administrative fiat, like a monkey grabbing a bag of peanuts from a passerby? (. . .) It's the type of dead-of-the-night seizures that may belong in Moscow, but not on Main Street, U.S.A.<sup>1</sup>

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<sup>1</sup>*The Los Angeles Daily Journal*, Tuesday, October 26, 1982.

Again, Joseph Marino, Chairman of the Review Board of the FCC (immediately subordinate to the full Commission) joining in the opinion of the Board in an unrelated FCC matter before it involving resolution of First Amendment issues, declared

While joining fully in the Board's unanimous decision, this case and the still smoldering controversy in *Faith Center, Inc.* (cite) indicate that *there is a continuing need for the utilization of procedural means which will permit a radio licensee to obtain Commission and Court adjudication of his constitutional rights without putting his license in jeopardy.*

A decade ago then Chairman Dean Burch warned that often the evil sought to be cured by government action "requires the delicate hands of a surgeon. The type of surgery that you [the licensees] can best prescribe—and perform—within your ranks. I fear as you do the hands of the government that will be called upon as a last resort—the *stubby, gnarled bureaucratic hands that belong on a 3rd string catcher in the minor leagues, not on a public interest physician.*"<sup>2</sup>

Finally, with the most recent dismissal of Faith Center's KVOF-TV, Channel 38, San Francisco, California broadcasting license, again Chairman Marino amazingly admonished both the Board and the Commission itself that

. . . [T]his is an occasion to think anew and deeper about such cases. Faith Center is now a step closer to losing its third, and possibly fourth, station. . . . Perhaps this raging controversy which began with the licensee's *good faith* assertion of its constitutional rights (cite) might have been contained *if a procedural device*

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<sup>2</sup>*In the Matter of David Hildebrand, Decision, FCC 83R-6, released January 26, 1983. (emphasis added)*

*had been used which permitted the licensee to obtain a final Court adjudication of its constitutional claims without putting all of its licenses in jeopardy. (. . .) Past experience teaches that renewal hearings are not the best vehicles for the adjudication of potential constitutional issues. . . .*

Recently, after a preliminary inquiry, the Commission referred a case containing similar 18 U.S.C. §1343 allegations to the Department of Justice for appropriate action. A criminal investigation, followed by Grand Jury action and trial in a U.S. District Court, would seem a more appropriate process than a less formal administrative hearing, especially when a licensee pleads its freedom of speech and religion, or Fourth and Fifth Amendment rights. The Commission's recent approach of *deferring to other authorities* makes much common sense whether the licensee is a controversial preacher accused of soliciting in violation of 18 U.S.C. §1343, an amateur operator alleged to have uttered non-obscene but indecent language, 18 U.S.C. §1464, or a commercial broadcaster who has allegedly conspired to fix prices in violation of the Sherman Act, 15 U.S.C. §1. Similarly, the NLRB is in a better position to resolve unfair labor practice charges against broadcasters (cite). Deferring to other authorities is even more appropriate today because the Commission's limited hearing resources are strained by matters which are closer to the core of the agency's primary mission set forth in 47 U.S.C. §151.<sup>3</sup>

Chairman Marino recognized that the civil administrative process is functionally inappropriate for the skilled adju-

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<sup>3</sup>*In Re Applications of Faith Center, Inc. for Renewal of License for Station KVOF-TV, San Francisco, California, West Coast Broadcasting Co., San Francisco, California, Together Media Ministries, San Francisco, California, LDA Communications, Inc., San Francisco, California, for construction permit, Memorandum Opinion and Order, FCC 83R-47, released July 7, 1983. (emphasis added)*



dication of the delicate constitutional issues that emerged upon administrative investigation of criminal charges in this or any matter. In this regard, it is important to note that *the FCC has not a single rule or regulation governing inquiry into churches*.<sup>4</sup> Similarly, there are no procedural safeguards protecting one enmeshed in its civil administrative hearing processes, though he shares the same burdens and disabilities of his zealously-protected counterpart in the normal criminal justice system.<sup>5</sup>

The frustration of the FCC officials above-quoted is best understood by the result in the Faith Center matter, notwithstanding the un rebutted exculpatory factual showing made to them by Faith Center. For this showing, made both before and during the ill-suited discovery phase, demonstrated the falsity of any allegations that were made. The uncontradicted refutation of the Respondents' proffered grounds for its investigation, that there were numerous complaints of fraud from numerous complainants, has been dealt with elsewhere. What may go unrealized, however, is the unprecedented amount of evidence and sensitive church information presented to the FCC and the Respondents.

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<sup>4</sup>Compare 26 U.S.C. §7605(c) governing the IRS, which completely prohibits examination of the religious activities of an organization or the books of account of such an organization, except to determine whether such organization is a church and to determine the amount of tax, respectively, and then only "to the extent necessary to determine" the above.

<sup>5</sup>Among the safeguards of which the FCC regulations are bankrupt is a preliminary hearing or its functional equivalent. With broad discovery presently allowed in federal courts and administrative proceedings, in which often only the *slightest* relevance is the nexus between information sought and material hearing issues, the licensee is forced to disprove his guilt in a civil context where demonstrations of innocence and demands for probative cross-examination and confrontation of witnesses take a back seat to 'relevance'. And the tragedy of the above is compounded when substantive, 'good-faith' constitutional analysis is eschewed and sacrificed for greater administrative familiarity with such a standard.



Faith Center's first broadcasting license to be dismissed was its license for KHOF-TV, Channel 30, San Bernardino, California.<sup>6</sup> During the administrative proceedings leading to said dismissal, the Mass Media Bureau<sup>7</sup> filed its November 9, 1978 "Bill of Particulars."<sup>8</sup>

Of the three evidentiary issues discussed therein, the first two dealt with whether Faith Center had supplied the Bureau with adequate information to investigate the third and *only* substantive issue, which was "whether in its over-the-air fund-raising broadcasts, Faith . . . violated, or is in violation of, Title 18, United States Code Section 1343 [governing wire fraud]."

Paragraph five of that bill set forth the only bases for this substantive issue, issue (c).<sup>9</sup> The Bureau stated therein that in August 1977, it received allegations

1. that beginning in 1976, Petitioner solicited contributions for specific projects and purposes that were not subsequently carried out, specifically, concerning appeals for the "fountain of faith", audio equipment, studio lights, and roof repair.
2. that monies so raised were misappropriated by Petitioner and funneled to other organizations in which he had an interest; and

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<sup>6</sup>In Re Application of Faith Center, Inc., Station KHOF-TV San Bernardino, California, for Renewal of License, BC Docket No. 78-326. Dismissal was affirmed in *Faith Center, Inc. v. FCC*, Nos. 81-1648 and 81-1649 (D.C. Cir., filed Nov. 24, 1981). "Jt. App." references are to the Joint Appendix filed below in connection with that case in the United States Court of Appeals for the District of Columbia Circuit. A copy of the Joint Appendix has been lodged with the Clerk of this Court. References "App." refer to the Appendix to this amicus brief.

<sup>7</sup>The then Broadcast Bureau.

<sup>8</sup>1 Jt. App. 58.

<sup>9</sup>"Broadcast Bureau's Response to Interrogatories Propounded by Faith Center, Inc.", February 1, 1979, at 5; 1 Jt. App. 94; see also "Broadcast Bureau's Response to Motion to Compel Answers", March 24, 1979, at 8. As will be seen, these two FCC documents themselves revealed that the grounds for investigation were spurious.

3. that fund raising appeals by Petitioner were at times accompanied by false representations that he had personally pledged money or that he received only \$1.00 per year in compensation from Faith Center.<sup>10</sup>

Yet, the administrative process was ill-suited to handle Faith Center's conclusive showing that, on the contrary

1. Faith Center not only carried through on all projects and purposes for which funds had been collected, but also, in some instances, spent more than had been raised;

2. Petitioner, having taken a pauper's vow, had no financial or ownership interest in any organization, religious or otherwise; and the only reason funds raised by Faith Center were transferred to another organization was to protect them during litigation proceedings involving Faith Center and a third party.

3. Petitioner honored every pledge he made and in fact, per the vote of his congregation in public meeting, received only \$1.00 per year *plus living expenses* from Faith Center.

As to the first allegation, as early as December 18, 1977, Faith Center sent the Bureau a sworn declaration by a certified public accountant, Gary E. Crane (App. A, pp. 1-6), specifically addressing the four fund-raising projects listed above.

In his report, Mr. Crane (1) thoroughly described, step-by-step, how donation receipts are handled from pledge to deposits; (2) acknowledged that gifts designated to specified 'projects' were infrequent, and that such categories were for informational purposes only and did not dictate the source or disbursement of the particular gifts; (3) stated that the

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<sup>10</sup>Bill, at 5; 1 Jt. App. 62.

church completed any 'projects', *whether sufficient funds were received or not*, out of its general fund, and; (4) specifically indicated that the church considered the donations gifts, not trusts. App. A, pp. 1-3.

He then recited the purpose of the 'fountain of faith': to memorialize those who responded in faith in helping to pay off the church sanctuary mortgage, for which mortgage debt the funds were raised, noting that the then yet-to-be-completed fountain would be built regardless of the funds received. *Id.*, at 3-4.

With respect to the 'audio equipment', Mr. Crane reported in fashion too detailed for repetition here, receipts of \$5,117 (\$6,823 less 25% for mortgage debt retirement) wholly consumed in \$5,196 worth of audio equipment expenditures. *Id.*, at 4-5. As to 'studio lights', Mr. Crane observed from journals what was in fact the case, *i.e.*, there was no such project, though there had been over \$3,000 of expenditures for bulbs and fixtures. *Id.*

Concerning 'roof repair', Mr. Crane noted that over \$6,000 came in for this 'project'. He also found that inasmuch as the repair involved expenditures falling in different categories, expenditures could not be practicably itemized, though a paper surplus existed in this category, particularly since roof repair was an on-going operation. *Id.*, at 5-6.

Mr. Crane concluded his report, signed under penalty of perjury, by indicating that the cash receipts and disbursement journals contained confidential records, including church school records, sanctuary offerings, and mission projects, but that he was instructed by Faith Center to make specific details available upon receipt of specific charges from the FCC. *Id.* at 6.

Faith Center also supplied the December 16, 1977 sworn affidavit of W. Bernard Marston, Director of Engineering

of Faith Center's station. (App. B, pp. 7-9). Mr. Marston's affidavit provided more detail into the sound and lighting 'projects'. Finally, Mr. Durbin's December 16, 1977 declaration (App. C, pp. 10-15) was supplied to the FCC, recounting still greater detail concerning the roof repairs that were performed by him and those on-going, also reciting the complications that arose in connection with the finally-constructed fountain of faith and the purpose for which it was built: the memorializing of mortgage debt retirement, for which debt retirement the funds were requested.

Placed in the awkward position of attempting to disprove guilt during civil proceedings, Faith Center nonetheless made its good faith clear by the unprecedented submission of nearly 40 pages of accounting/columnar type working papers prepared on a daily basis by a Faith Center bookkeeper from October 1, 1976 to December 31, 1977, the subject period. These were attached to the Faith Center's letter dated July 12, 1978 to the FCC entitled "Religious Offerings to Faith Center". These papers detailed 21 projects engaged in by Faith Center, *i.e.*, 19 in addition to the challenged two (*i.e.*, audio equipment and roof repair only) since the fountain of faith was not, as earlier explained, a project, and since there never was a studio lights project. These papers detailed the amounts received by Faith Center on a daily basis and the projects for which they were given.<sup>11</sup> Further still, Faith Center provided the Bureau with an 8-page appendix thereto, entitled "Summary of Money Raised on Sixteen Projects" (App. D, pp. 16-22), which catego-

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<sup>11</sup>The 19 additional projects consisted of piano, telephones, San Francisco travel, Korea, WHCT Travel, 700 Club, Tax Battle, PTL funds, Paul Finkenbinder, Microwave, VTR heads, Korea trip, Klystron Tubes, Moe Company, Outrage Tax Battle, Jake Hess, Hartford Transmitter, Joe Donetz, "The 10 per cent and T.A.B." There was no 'studio lights' project, nor was the fountain of faith a project.

rized for each project (a) amounts raised, (b) the portion thereof expended for the project, and (c) dates and amounts of said expenditures. This summary showed what detailed examination of the working papers and disbursement journal would show: in each project, funds were exhausted for the purposes for which they were raised, except with two where funds not expended were held as restricted funds, and a third project in which but \$39 was retained in the general fund from \$1039 received. The working papers were further supplemented by accounting and check detail supporting the expenditures above. The above data totalled an inch-thick 170 pages, resulting in unequalled disclosure of church financial information to government officials for the sake of preserving the religious freedoms of Faith Center's donors.<sup>12</sup>

Unbelievably, Faith Center submitted itself to additional tests. In March of 1978, it offered to make its personnel available for unrestricted interviews by Commission staff members. In July of 1978, Faith Center furnished the Commission with the lists of past and present employees with addresses, of all of Faith Center's personnel located in the Los Angeles area. And, Faith Center provided photostatic copies of its cash receipts journal. Finally, Faith Center offered to submit to an independent audit of its financial records, though the offer was never accepted. It became clear that no matter what Faith Center proved, the Bureau would remain unsatisfied unless Faith Center turned over private donor records.

This preoccupation was best evidenced by the fact that all of the above accounting data, affidavits, sworn statements, itemizations, etc., were inadequate refutation in the

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<sup>12</sup>As early as September 1977, Faith Center supplied over 6 hours of tapes covering the fountain of faith fund raising to pay off the sanctuary mortgage.

FCC's eyes of the so-called allegations made by Mr. Diederich and Joseph Baumgartner. Yet Diederich himself testified that (1) although certain specific projects had been completed prior to his termination in January of 1977, he had no knowledge as to whether Faith Center subsequently completed them,<sup>13</sup> (2) he had no knowledge or reason to believe that Petitioner had misused Faith Center's broadcast license for monetary or personal gain,<sup>14</sup> and (3) he had no information, knowledge, or belief that Faith Center had defrauded its listening audience.<sup>15</sup> He further testified that he had no way of knowing if the monies received were expended,<sup>16</sup> and revealed that the fountain of faith had in fact been built.<sup>17</sup>

Mr. Diederich further testified that he did not believe, or allege in his August 1977 letter, that fraud had occurred.<sup>18</sup> U.S. Magistrate Ralph J. Geffen, after having specifically reviewed that letter, explicitly declared that it did not allege either fraud or fraudulent practices as having occurred. In fact the words "fraud" or "fraudulent practices" were *nowhere to be found* in that letter.<sup>19</sup>

Finally, Mr. Diederich testified that after having worked for over a year with Petitioner, he had never seen him do a dishonest act, that he cross-complained against the Respondents for their misrepresenting him as accusing Pe-

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<sup>13</sup>Petition, at 9.

<sup>14</sup>*Faith Center, Inc. v. Federal Communications Commission*, Nos. 81-1648 and 81-1649, D.C. Circuit, *supra*, *Transcript of Paul Diederich*, October 10, 1979, at 86-87, 96-97; 8 Jt. App. 2150-2151, 2160-2161.

<sup>15</sup>*Id.*, 8 Jt. App. 2160.

<sup>16</sup>*Id.*, at 9-11, 15, 53, and 56, 8 Jt. App. 2074-2076, 2080, 2118, and 2121.

<sup>17</sup>*Id.*, at 29, 8 Jt. App. 2094.

<sup>18</sup>Petition, at 10.

<sup>19</sup>*Id.*, at 9.



tioner or his church of fraud, and filed an amicus brief before this Court in support of Faith Center's attempt to obtain its license back after its fraudulent dismissal.<sup>20</sup>

Similarly, Baumgartner's testimony revealed that, at the time of his firing, monies received from fund-raising had not been misspent<sup>21</sup> that after he left he had no way of knowing what funds were expended,<sup>22</sup> and that he himself had been assigned to work on the fountain of faith and the roof repair as a general contractor, and had seen the fountain constructed.<sup>23</sup>

The second allegation, that monies raised were misappropriated by Petitioner, and funneled to other organizations in which he had an interest, was also conclusively disproven. Petitioner, having taken a pauper's vow, had no financial or ownership interest in *any* organization whatsoever. Again, the "Broadcast Bureau's Response to Interrogatories Propounded by Faith Center, Inc." and their "Broadcast Bureau's Response to Motion to Compel Answers"<sup>24</sup> made clear that the only organization in which Petitioner was alleged to have had any financial or ownership interest was Wescott Christian Center.<sup>25</sup> Yet, Wescott Christian Center is and always has been a non-profit church corporation, as the Bureau knew well.<sup>26</sup>

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<sup>20</sup>*Id.*, at 10.

<sup>21</sup>*Faith Center, Inc.*, *supra*, Transcript of Joseph Baumgartner, October 10, 1979, at 16, 9 Jt. App. 2187.

<sup>22</sup>*Id.*, at 8, 12-16, 9 Jt. App. 2179, 2183-2187.

<sup>23</sup>*Id.*, at 35-38, 9 Jt. App. 2206-2209.

<sup>24</sup>See fn. 9, *supra*.

<sup>25</sup>"Broadcast Bureau's Response to Interrogatories Propounded by Faith Center, Inc.", at 4, 1 Jt. App. 93; "Broadcast Bureau's Response to Motion to Compel", at 6.

<sup>26</sup>"Response of Faith Center, Inc. to Interrogatories", February 1, 1979, at 7, 1 Jt. App. 117.



As a non-profit church corporation, Wescott Christian Center is governed by California Corporations Code §9200, that specifically precludes Petitioner, or any person, from asserting a personal interest in such a corporation.<sup>27</sup> Finally, Faith Center made clear that the only reason funds raised by Faith Center were deposited in a separate Wescott checking account, and then drawn from that account to pay Faith Center's bills, was to protect Faith Center during a continuing legal battle with the county tax authority which sought to tax constitutionally tax-exempt properties, a battle subsequently won and which elicited a letter of apology to Faith Center from the taxing authority.<sup>28</sup>

The irony is that Baumgartner, identified by the above-referenced "Broadcast Bureau's Response to Interrogatories Propounded by Faith Center, Inc." and "Broadcast Bureau's Response to Motion to Compel Answers" as the sole individual alleged to have made this charge,<sup>29</sup> later under oath expressly admitted that Wescott was a non-profit corporation, and that therefore Petitioner did not own it,<sup>30</sup> and

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<sup>27</sup>§9200. *Lawful purpose without distribution of gains, profits, or dividends; incidental business for project.* A non-profit corporation may be formed by three or more persons for any lawful purposes which do not contemplate the distribution of gains, profits, or dividends to the members thereof and for which individuals lawfully may associate themselves, such as religious, charitable, social, educational, or cemetery purposes, or for rendering services, subject to laws and regulations applicable to particular classes of non-profit corporations or lines of activity. Carrying on business at a profit as an incident to the main purposes of the corporation and the distribution of assets to members on dissolution are not forbidden to nonprofit corporations, but no corporation formed or existing under this part shall distribute any gains, profits, or dividends to any of its members as such except upon dissolution or winding up.

<sup>28</sup>"Further Response to Interrogatories", August 17, 1979, at 2, 2 Jt. App. 351.

<sup>29</sup>"Broadcast Bureau's Response to Interrogatories Propounded by Faith Center, Inc.", at 4, 1 Jt. App. 93; "Broadcast Bureau's Response to Motion to Compel", at 6.

<sup>30</sup>Transcript, at 42, 9 Jt. App. 2213.

admitted that any transfers from Faith Center to Wescott were done at the direction of the board of directors of Wescott, not the Petitioner, during board meetings attended by Baumgartner.

Finally, regarding the allegation that Petitioner had made false over-the-air statements, namely, that he only received \$1.00 per year and that he had paid his pledges, the two above-referenced pleadings made clear that again Baumgartner was the only source for these allegations.<sup>31</sup> However, in his deposition, he denied that he had accused Petitioner of falsely stating that he had received only \$1.00 per year from Faith Center, stating that he told the FCC that Petitioner received \$1.00 per year *plus expenses*.<sup>32</sup> Further, he specifically stated, that *he did not know whether Petitioner had paid his pledges or not*.<sup>33</sup> Moreover, Faith Center provided sworn declarations from church personnel who actually witnessed Petitioner's pledges and actual contributions declaring that Petitioner not only paid in full his pledges, but *overpaid* them,<sup>34</sup> and the facts concerning Petitioner's salary were repeatedly and variously documented.<sup>35</sup> Far more importantly, however, though Petitioner never made the statements attributed to him by the FCC, the statements that he did make were never intended to motivate and in fact did not motivate giving, as only proper responses to Petitioner's "Theology of Giving" were sought.

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<sup>31</sup>*Id.*, at 43-45, 9 Jt. App. 2214-2216.

<sup>32</sup>"Broadcast Bureau's Response to Interrogatories Propounded by Faith Center, Inc.", at 5, 1 Jt. App. 94, "Broadcast Bureau's Response to Motion to Compel" at 7-8.

<sup>33</sup>Transcript, at 55, 9 Jt. App. 2226.

<sup>34</sup>*Id.* at 58, 9 Jt. App. 2229.

<sup>35</sup>"Response of Faith Center, Inc. to Interrogatories", February 1, 1979, at 6-7, 1 Jt. App. 116-117; "Further Response of Faith Center, Inc. to Interrogatories", July 18, 1979, 2 Jt. App. 327K.

Thus, even if the above three allegations were made, they were all conclusively disproven, eliminating, as Petitioner has indicated, the factual predicate for the compelling governmental interest of the FCC. Even if Faith Center voluntarily assumed the burdens of governmental regulations affecting constitutional analysis upon its becoming a licensee, the donors did not assume these burdens, and the absence of a compelling governmental interest results in a violation of their religious freedoms.

As if to underscore the caprice of the FCC apparatus, both in connection with its renewal hearing process in general, and Faith Center's licenses in particular, the following should be noted. Faith Center owns four broadcasting licenses, KHOF-TV, Channel 30, San Bernardino, California, KHOF-FM, 99.5 FM, Los Angeles, California, KVOF-TV, Channel 38, San Francisco, California, and WHCT-TV, Channel 18, Hartford, Connecticut. The first three, worth between \$5,000,000 and \$10,000,000 *each*, have been dismissed, due to Faith Center's constitutional stance on the donor issue. After each station was dismissed, the FCC simply designated the next license for hearing, demanded the same church information concerning donor records, etc., and dismissed the licensees when, for reasons stated in the petition, it was not forthcoming. The arbitrariness of the FCC's action is revealed in the fact that while they dismissed Faith Center's license without allowing Faith Center to take advantage of distress sale relief and recoup its losses, it did allow distress sale relief as to WHCT-TV. It cannot be believed that the FCC would allow a sale of WHCT-TV for approximately \$3,000,000, the proceeds of which are to go to Faith Center, if it truly believed the licensee were engaged in fraud.

**Conclusion.**

For these reasons, a writ of certiorari should issue to review the judgment and opinion of the United States Court of Appeals for the Ninth Circuit.

Dated: November 7, 1983.

Respectfully submitted,

EDWARD L. MASRY,

*Counsel of Record for the*

*Honorable Mervyn M. Dymally.*

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*Mr. Paul Diederich.*

**EXHIBIT A.**

**Letter of Gary E. Crane.**

[Letterhead]

Gary E. Crane

Certified Public Accountant

December 18, 1977

William B. Ray

Chief, Complaints and Compliance Division

Broadcast Bureau

Federal Communications Commission

1919 M Street NW

Washington, D. C. 20554

Re: *Faith Center Church Fund Raising Report*

Dear Mr. Ray:

I have been asked by my client, Faith Center Church, to provide your office with information from the church's cash receipts and cash disbursements journals, as well as a general discussion on the recording, receipting and disbursing of donation income at Faith Center Church. Specifically, I have been asked to address four fund raising projects occurring at the church in 1976: the Fountain of Faith (mortgage), the studios roof repair, the microphones and sound equipment, and studios lighting equipment. By my signature attached hereto, I represent these facts and figures referenced herein to be true to the best of my knowledge and belief, under penalty of perjury.

Donation receipts at Faith Center Church are handled in the following manner. In order to understand the accounting principles utilized by the church in recording their operations of receipt and disbursement, one must follow the donations from the original pledges to the bank deposits:

1. The pledge is telephoned in to the television studios (see example attached), and telephone coun-

sellors indicate amount, address, and in some cases, the particular project or fund drive objective.

2. The pledge slips are forwarded to the mailroom at Faith Center Church the next day. The white original is mailed to the donor, with return envelope. The remaining pink and yellow slips are retained.
3. The donor responds to the pledge slip with cash, check, money order or other gift being mailed or otherwise delivered to the church.
4. The mailroom personnel receipt the gift for tax purposes to the donor, under Faith Center Church's I. R. C. Section 501(c)(3) exemption.
5. The mailroom personnel mark the retained pledge slip copies paid (donor retains original), and file slips in "paid pledges" file. Extra pledge copy is utilized if donor does not respond to first copy, or utilized for cross-filing systems.
6. The mailroom personnel reconcile, count and balance the daily cash gifts (including checks), and forward receipts to the cash receipts clerk.
7. The cash receipts clerk receipts the mailroom and records the cash receipts in the journal.
8. The cash receipts clerk prepares the bank deposit, including mailroom receipts, church sanctuary offerings, airtime sales receivables, etc., and makes deposit in bank account.

Designations on the pledge slips for specific projects are infrequent, inasmuch as most of the pledges are made in response to general requests for operations funds. Some of the checks or letter accompanying checks or cash indicate projects, suggest ideas, and indicate a response to a particular campaign. The mailroom keeps informal records as to the location of the donor (as between the three geographical broadcast areas served by Faith Center Church's stations) and reports totals in the three areas to Pastor Gene Scott for

discussion on the "Festival of Faith."

The gifts are received, deposited and receipted regardless of "project" or other designation, as gifts to the general ministry of Faith Center Church. Certain categorizations are maintained by the cash receipts clerk regarding project designations gleaned from check detail, pledge slips etc., and these categorizations are entered in the cash receipts journals. These categories are for informational purposes only, however, and do not dictate the source of deposit or the disbursement of these particular gifts.

To my knowledge the church has never raised any funds for a project that was not openly discussed beforehand, and was subsequently completed whether sufficient funds were received in the pledge drive, or not. The actual disbursement of project funds may occur simultaneously, as the pledges are paid, or long before or after the funds are received or spent.

One additional factor to keep in mind, and a factor that is noted by footnote in my recent audit of the church, is the much-discussed twenty-five percent taken from all church income and paid towards reduction of past due debt incurred prior to Pastor Gene Scott's October 31, 1977 arrival at Faith Center Church.

I have inspected the cash receipts journals, as well as the cash disbursements journals, in regards the four projects of current concern to the Federal Communications Commission. Because the church does not consider the gifts trusts, and does not maintain separate funds for projects, it is difficult to trace the receipts for projects to disbursements for same. I can, however, report the following:

#### *FOUNTAIN OF FAITH:*

It is my understanding that these fountain receipts were solicited for purposes of paying off a balloon final payment on a church sanctuary mortgage written in 1964 with the



St. Louis Union Trust Company. The cash receipts journals running from the time of the original solicitations indicates aggregate receipts of \$153,750.00, received largely in pledge/gifts of one thousand dollars per donor. The receipts records and designations were carefully maintained because in this one instance, each of the donors was to be memorialized by bronze plaques on the Fountain of Faith. The breakdown of the disbursement of these funds is computed as follows:

TOTAL funds collected .....	\$ 153,750
LESS 25% for debt retirement .....	\$( 38,438)
MORTGAGE payoff, verified by inspection of release papers and savings account debts payable to local bank for cashier's check payable to trust company on or about April 8, 1977 .....	\$ 92,059
FOUNTAIN funds available.....	\$ 23,073

The Commission should keep in mind, however, that the fountain will be built regardless of the expense, depending on the current cash available from the general fund. If surplus funds result from the construction, the general fund will benefit from the surplus. If the funds listed above are insufficient, the general funds will be called upon to meet the difference. Estimates running from \$10,000.00 to \$50,000.00 have been reported by the man in charge of the construction, Paul Durbin. Reasons for delay in the construction are outlined in the statement by Mr. Durbin filed on even date herewith with the Commission.

#### *STUDIO MICROPHONES*

I have inspected the cash receipts journals and find therein a categorization described as "microphones" going back to amounts first reported in October of 1976. The total receipts reported in the journals comes to \$6,823, reduced to \$5,117

by the twenty-five percent debt reduction factor. A review of the cash disbursements journals for the same period reveals expenditures in an aggregate of \$5,196 for sound equipment. Inspection of invoice indicates \$2203 expended for microphones and stands, \$509 for studio monitor speakers, and \$2483 in sound equipment rentals. The only designation in cash receipts journal for this category is "microphones", but it is my understanding that Pastor Scott's discussion on television began with microphones, as a specific need at the studio created by two concurrent production schedules, but indicated other pieces of as yet unspecified sound equipment were needed as well. It is my understanding, on the basis of reports to me by Chief Engineer Bernard Marston, that all of the above sound equipment purchases involved equipment needed because of the "two studio" concurrent production problem which was inspiration for the fund drive.

#### *STUDIO LIGHTS:*

After inspecting the cash receipts categorizations made by the cash receipts clerk for the past fourteen months, I am unable to report any project called "studio lights". I can therefore not report receipts for same, and if any such category indeed existed, there in no way other than by contacting all donors over the past year that I can confirm receipts in this category, if any.

I have also inspected the cash disbursements journals, and have found there disbursement records for light fixtures and bulbs over the past fourteen months totaling \$3,296, paid out to two lighting companies, Mole-Richardson for fixtures, and Preferred Distributing Company for bulbs.

#### *ROOF REPAIR:*

After inspecting the cash receipts categorization made by the cash receipts clerk for the past fourteen months, I have

totaled \$6,739 in funds categorized as "roof repair." Inasmuch as performance of this repair would involve expenditures falling into several cash disbursement categories, I am unable to report any specific expenditures. I can report that Mr. Paul Durbin has been on the church payroll as carpenter and maintenance and builder since January of 1977, and I am informed that he has spent most of his time on either the roof or the Fountain of Faith. I am also informed that roof repair in an ongoing operation, and roof replacement is anticipated and desired when the necessary funds are available. I think that despite the vagueness of the expenditures, it would be safe to observe that a "paper surplus" exists in the roof repair category.

It is important to note that submission of the cash receipts and cash disbursements journals to the Commission, would open up the entire confidential records to the Commission for a very narrow purpose. The records include church school records, summer camp records, Sunday sanctuary offerings, mission projects, personnel and other irrelevant and sensitive church affairs. I have been instructed by my client, Faith Center Church, to make specific details available upon placement of the Commission of specific charges. I would urge the Commission to cooperate in this exchange of particular information in order that both the church and the Commission avoid the unnecessary church and state confrontation problem.

The above observations and statements are offered under penalty of perjury. This statement was signed by me in Glendale of December 16, 1977.

/s/ Gary E. Crane  
Gary E. Crane  
Certified Public Accountant

GEC/bhs

**EXHIBIT B.**

**Statement of W. Bernard Marston,  
Director of Engineering,  
Faith Center Stations.**

[letterhead]

**FAITH BROADCASTING NETWORK  
Executive Offices**

December 16, 1977

Mr. William B. Ray  
Chief, Complaints and Compliance Division  
Broadcast Bureau  
Federal Communications Commission  
Washington, D.C. 20554

Dear Mr. Ray:

The following is my recollection of the circumstances regarding the raising of funds by Dr. Gene Scott and the subsequent purchase of sound equipment and lights for use in Faith Center's television and radio ministries.

**1. SOUND EQUIPMENT**

During a telethon held in September 1976 it was necessary to originate some back-to-back and simultaneous programming from two different locations, Faith Center Church and Faith Center's television production studios, separated by about 1½ miles. In the past there had always been sufficient time between scheduled use of the two facilities to permit transport, even though inconvenient, of the necessary equipment from one place to the other. However, after suffering the confusion and disability caused by these particular circumstances, it was suggested that Dr. Scott raise the money on the air to purchase duplicate sound equipment in order to prevent a future recurrence of these problems.

The engineering staff provided Dr. Scott with estimates of the cost of the sound equipment needed to be duplicated, and after adding the customary 25% reserved from all Faith Center receipts for debt retirement, received pledges amounting to around \$6,000. According to available records \$6,823 was received from donors designated for sound equipment. This figure includes the 25% allowance for debt retirement.

I have personal knowledge that purchase requisitions were issued for microphones and microphone stands totalling \$1,367.93, an additional wireless microphone for \$835.65, studio monitor speakers for \$509.97, and rental of additional sound equipment necessitated by lack of duplicate equipment totalling \$2,483.00 for an overall total of \$5,196.55, and that this equipment was received and used for the purpose designated. (See exhibits with this letter).

Subsequent to raising funds for purchase of sound equipment, a sister church transferred equipment valued at between \$9,000 and \$10,000 to Faith Center. Items of this equipment were placed in use in one of the Faith Center television studios making it possible to leave previous equipment permanently installed in the other studio and avoiding the necessity of purchasing additional equipment such as studio monitor speakers whose replacement cost exceeds \$2,000.

## 2. *LIGHTING EQUIPMENT*

The same set of circumstances detailed above created a need for additional lighting instruments at the Faith Center television production studios. The necessary extra lights for the telethon set were rented from Mole-Richardson Company of Hollywood, California. An outgrowth of this telethon was the FESTIVAL OF FAITH, a daily live program hosted by Dr. Gene Scott utilizing the former telethon set.

It was therefore necessary to keep the additional lights and the decision was made to buy them rather than continue to pay rent.

The records show that \$3,296 was paid out for purchase of lighting equipment. It is certain that Dr. Scott mentioned at some time on the FESTIVAL OF FAITH program the need for additional lights, as he similarly often mentions the need for other equipment, but there was no concerted fund raising effort in that direction or definite monetary goal established. According to the records available to me, no donations were ever received that were designated for purchase of lights. There is also an on-going expense of approximately \$500.00 per month for replacement of quartz-halogen globes to keep the studio lights operative.

/s/ W. Bernard Marston  
W. Bernard Marston  
Director of Engineering  
Faith Center Stations

State of California, County of Los Angeles — ss

On December 16, 1977 before me, the undersigned, a Notary Public in and for said State, personally appeared Bernard Marston, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

Signature Margaret A. Kielpinski

[Seal]



**EXHIBIT C.**

**Statement of Paul Allen Durbin,  
Faith Center Church Builder and Carpenter.**

[Letterhead]  
Faith Center

December 16, 1977

Mr. William B. Ray  
Federal Communications Commission  
Washington, D.C. 20554

Dear Mr. Ray:

I've been asked to explain in my own words what I know about the fund raising for the roof for our studios, and for the Fountain of Faith. Since I've been actively involved in both projects as a member of Faith Center Church, as a listener to the Festival of Faith, and as the General Builder at Faith Center Church, I should be able to offer some insights as to just what happened. I have worked for Dr. Gene Scott both as a volunteer and as an employee, since sometime in late 1976. The first two things Dr. Scott gave me to do was to fix the studios roof and continue preparation on the Fountain of Faith. The roof and the fountain had been the responsibility of Joe Baumgartner before he left, but he had not finished either project. In fact nothing much at all was done on either project until I took over. And possibly you might say not enough has been done since I took over, but I leave that up-to you.

***THE ROOF:***

The first thing I remember happening about the roof occurred one night on the Festival (Festival of Faith) when Dr. Scott was ministering as usual in the church's Glendale television studios on Broadway Street. Dr. Scott was suddenly interrupted by rain water seeping through the ceiling

and dripping on the red communion table behind him. Dr. Scott, true to his "tell it like it is" style, asked the cameraman to focus on the puddles, and soon the ceiling tiles were following on studios guests. The weight of the water-soaked rock wool insulation was just too much for the ceiling tiles to hold!! They were dropping here and there and spreading rock wool fibers on people and the floor. I remember one hitting our cameraman, Larry, on the head, with Dr. Scott laughing and turning the other camera on Larry. I also remember being put on camera while I was fixing the roof and making temporary repairs during various Festivals. I had to run around the studios placing drip buckets and placing plywood shields to protect the Festival singers and Dr. Scott and the audience.

One night somebody called in and suggested that some money be raised for the roof. There was an immediate response. Anytime something puts Dr. Scott in jeopardy, there is always an immediate response. This is the way I feel too, and I share that feeling with thousands of viewers.

Anyway, I remember shortly after the person called (and it was obvious that the viewers were concerned by the avalanche of notes and comments that came in over the studio telephones) Dr. Scott said he would honor their response (he's said many times that he didn't want to start building projects until the debt was paid). He called upstairs and asked Joe Baumgartner, who was still working here then, how much it would cost to fix the roof. Joe replied with some figure that I don't recall, but I believe it was about \$2,000.00. I do not recall if the figure was for just repair or to replace the whole roof, but considering the cost of replacement of such a big roof, it must have been just for repair of the old one. I don't know how many pledges came in that night but I'm sure there were more than he asked for the roof.

When I went to work on the roof repair project I discovered that three large connected buildings were involved at the studios. Each roof was a separate "built up" type, over an arched "barrel" balancing on trusses. One of the three roof sections had a construction flaw where two trusses came together, right over the main television set in studio A, where the Festival of Faith is performed. There was a large split in the roofing papers and leaks around the air ducts. With the help of another Faith Center worker (Jim Castillo) I tried to patch the area to keep the rain out. We used thick mastic, which proved inadequate when tested in the next rain. The roof still leaked, although not as bad. We went back up and tried six-inch wide fiberglass strips under more special thick roof repair mastic. this repair seemed to worked for the time being.

Within six months, however, it was evident that this latter patching system wouldn't work either. The heavy traffic out in front of the studios on Broadway was causing vibrations that was working the two flawed trusses over studio A, and the vibrations worked the roof pieces apart again causing further leaks. We now intend to replace the fiberglass with sheet metal, and see if that does it.

We have a further problem over the shop area of the studios, where the roof is improperly lapped. Instead of the usual overlapping pattern that allows rain to run down over each roof piece, many of the roof sheets are lapped exactly the wrong way, so that water runs into each of the grooves and into the shop. Although mastic helps, this roof needs to be ripped up and replaced.

I also did work on the inside ceiling where all the tiles kept falling down. I used some extra tiles found around the church and basically returned to the ceiling to a workable state. Of course, if the ceiling leaks again, which it may when the vibration separates the roof pieces, the tiles could

swell and fall again.

Well, anyway, we repaired the roof and ceiling. Jim Castillo and I are on staff, so the labor has to be included in your salary. If Dr. Scott had ordered the work done by regular journeyman carpenters or builders, it would have cost him about \$1000.00 to \$1200.00. And we aren't really done yet. I want to try the sheet metal repair, and we have obtained two or three bids for a complete roof replacement, which we must eventually do for a permanent repair. The church has lots of bills and its always difficult to get maintenance done.

#### *THE FOUNTAIN:*

As I stated earlier, I was given the assignment of the fountain right after Joe Baumgartner was dismissed. I didn't really know the man because he only worked a few more months while I was here and then was fired by Dr. Scott. I do know one thing, he was a terrible builder. He did most of the construction on the church sanctuary and the studios and everytime I go to repair something I find goofs and mistakes and just bad work. Baumgartner's construction work on Faith Center Church makes my maintenance job really a nightmare, especially when you consider the lack of money and all.

Anyway, Dr. Scott asked me to ask Joe for any and all plans, information, etc., on the Fountain of Faith project, so that I could get working on it. Even though Joe had been working on it for over six months, he had nothing in his files, except a book on fountain lights and pumps.

So I had to start from scratch. I had to work up from the artist's conception that had been drawn for use during the fund raising drive at the church. I scanned the yellow pages for fountain construction firms and found out, the hard way, that this type of project is basically an "artistic project."

Construction people are not hard to come by, but "artistic talent" that is willing to build what another artist has already conceived, is another thing. Even the architect would have to work from pre-conceived notions of what the fountain would look like. When I finally found a willing architect, it was hard to keep him from altering the original design to suit his particular style.

I got some good advice from a Mr. Phil Gigiacomo, a builder-srtist that has done work at Disneyland and for the Los Angeles Museum of Art. Phil indicated that an exact replica of the fountain depicted by the first artist could cost as much as \$100,000.00. I've got many other estimates from \$10,000.00 to \$50,000.00, depending on the approach or the detail of the fountain.

After much discussion and reserach, I managed to get a copy of some working plans. Mr. Esser, our attorney gave the Commission investigators copies of these first plans when they were here in September. I also obtained a city building permit from the city of Glendale.

There are hundreds of questions on the detail, many of which involve money decisions. We've talked about the kind of tile on the base, a large bowl to hold the water. This bowl was changed to a pool on later plans to save money and balance the design. The pump mechanism had to be designed, and a separate pump house as well. The one hundred and twenty spigots for the water had to be spaced and regulated, and a type of labeling developed to list all the names of the donors. The structure of the globe and the continents and mountains was very difficult. We had to have someone sculpt the relief, and arrange for the broadcasting tower to support the globe. By the time these endless little details were discussed, I had a third set of different blueprints.

The final big hassle was the City Building Department. They had no problem with the construction permit, as mentioned earlier, but Glendale has a very strict sign ordinance law and they raised major questions with the size of the sign on top and the entire structure. They turned the plans down as an unacceptable sign! We talked with them and they discuss various alterations which would completely change the concept of the fountain. The proportions were so carefully worked out that they couldn't change the tower or the sign or the globe without changing all the parts, including the pool. We were exasperated, and appeared defeated.

Finally, however, we contacted a lady of influence in town that was interested in beautification projects involving works of art. She helped us arrange re-classification from a sign to a work of art, and the city signed the permit for the plans. We still had some negotiation with the Forest Lawn Memorial Park across the street, because of this "art fountain" status, because this Park (a private burial park with many fountains and works of art within view) has a "restrictive easement" on the church property giving them the right to pre-approve the building of decorative fountains. So far, it looks like they will go along with the current plans, although they have shown some reservation about the size of the project.

We have expended many hundreds of hours of my time, plus several thousand dollars in architect's fees. While we have secured a promise from a plumber in the congregation to do the plumbing free on the fountain, it is still difficult to estimate the amount of money needed for completion. We should be ready to start construction the first of the year if no more legal hassles or permits get in our way. The Fountain will serve as a symbol of this church's ability to pay off its mortgage in the first major fund raising drive after Dr. Scott arrived at the church. The people's names



on the fountain will include most of my friends here at Faith Center Church, and included there will be the names of my wife and I, Alice and Paul Allen Durbin. We responded to Dr. Scott's requests and prayers, and we think the Fountain would be a perfect symbol of the new Faith Center Church.

The above is as I remember it, and as it is, and is offered under penalty of perjury. I signed this statement in Glendale on December 20, 1977.

Sincerely,

/s/ Paul A. Durbin

Paul Allen Durbin

PAD/bhs



**EXHIBIT D.**

**Summary of Money Raised  
on Sixteen Projects.**

The information provided herein makes reference to money raised for each particular project.

The information below is as follows:

- a. Amount raised for project.
- b. Portion of amount raised which was expended for project.
- c. Dates and amounts of expenditures for project.

**1. KOREA**

- a. \$5,389.00.
- b. All of it.
- c. 12/2/76 — \$2830.00  
6/17/77 — \$5013.00.

**2. MICROWAVE**

- a. \$48,674.00.
- b. All of it.
- c. 1/11/77 — \$2800.00  
6/27/77 — \$4333.00  
6/27/77 — \$4333.00  
7/28/77 — \$2500.00  
7/28/77 — \$2500.00  
9/22/77 — \$2500.00  
9/22/77 — \$2500.00  
8/3/78 — \$164,256.00  
11/1/78 to present — \$2925.00 per month  
11/1/78 to present — \$100.00 per month  
3/27/79 — \$34,651.00 (Farinon contract for equipment).

3. *JOE DUNETS* (Missionary to Brazil)

- a. \$795.00.
- b. All of it.
- c. 8/16/77 — \$1500.00.

4. *PIANO*

- a. \$5,623.00.
- b. All of it.
- c. 10/15/76 — \$225.00  
10/29/76 — \$200.00  
11/16/76 — \$375.00  
12/13/76 — \$450.00  
12/29/76 — \$300.00  
2/9/77 — \$900.00  
6/15/77 — \$2,385.00  
7/5/77 — \$2,385.00.

5. *VTR HEAD*

- a. \$742.00.
- b. All of it.
- c. 2/24/77 — \$1007.00.

6. *TELEPHONES*

- a. \$21,705.00
- b. All of it.
- c. 12/6/76 — \$3415.00  
12/22/76 — \$2164.00  
1/31/77 — \$1839.00  
3/8/77 — \$1868.00  
4/1/77 — \$1907.00  
4/27/77 — \$1859.00  
6/1/77 — \$1971.00  
6/27/77 — \$2138.00  
7/23/77 — \$1942.00  
8/19/77 — \$1928.00  
9/22/77 — \$1979.00.

7. *KLYSTRON TUBE*

- a. \$10,000.00.
- b. All of it.
- c. 8/17/77 — \$15,710.00.

8. *JAKE HESS*

- a. \$1600.00
- b. All of it.
- c. 4/77 — \$3000.00  
5/77 — \$3000.00  
6/77 — \$3000.00  
7/77 — \$3000.00  
8/77 — \$3000.00.

9. *PAUL FINKENBINDER MINISTRIES*

- a. \$4231.00.
- b. All of it.
- c. 2/13/77 — \$4000.00  
3/3/77 — \$2000.00.

10. *SAN FRANCISCO TRAVEL*

- a. \$3,557.00.
- b. All of it.
- c. 8/31/77 — \$300.00  
9/19/77 — \$1500.00  
9/22/77 — \$76.00  
9/25/77 — \$2556.00  
9/23/77 — \$243.00  
10/28/77 — \$75.00  
11/29/77 — \$1500.00  
10/15/79 — \$2307.00  
12/2/79 — \$3500.00  
12/2/79 — \$2512.00  
12/2/79 — \$2547.00.

11. *KOREA TRAVEL (DR. SCOTT)*

- a. \$38.00.
- b. None of it.
- c. It is held as restricted funds.

12. *MOE COMPANY (MARVIN MOE, MINISTER)*
  - a. \$1039.00.
  - b. \$1000.00.
  - c. 1/25/77 — \$1000.00.
13. *PTL*
  - a. \$18,607.00.
  - b. All of it.
  - c. Daily from November 2, 1976 through the relevant period at the air time rate of \$30,000.00 per month.
14. *ROOF*
  - a. \$5054.00.
  - b. \$2200.00 (salary allocation).
  - c. 1/77 — \$2200.00  
(\$2854.00 held as restricted funds).
15. *MICROPHONES*
  - a. \$5117.00.
  - b. All of it.
  - c. 12/30/76 — \$475.00  
1/5/77 — \$1010.00  
1/13/77 — \$510.00  
2/14/77 — \$1007.00  
7/14/77 — \$886.00  
8/14/77 — \$908.00  
8/17/77 — \$361.00  
12/5/77 — \$900.00.
16. *FOUNTAIN OF FAITH (NOT A PROJECT)*
  - a. No money was raised for the Fountain of Faith.  
Expenditures for GLOBE and TOWER: (As per picture)  
12/7/78 — \$500.00  
12/7/78 — \$500.00  
1/79 — \$500.00

2/9/79 — \$200.00  
2/15/79 — \$200.00  
2/23/79 — \$200.00  
5/3/79 — \$200.00  
5/21/79 — \$200.00.  
BALANCE DUE — \$544.00

**Expenditures for ELECTRIC WORK ON  
FOUNTAIN:**

12/78 — \$1000.00  
12/78 — \$500.00  
1/79 — \$500.00  
2/79 — \$200.00  
2/15/79 — \$200.00  
2/23/79 — \$200.00  
2/28/79 — \$1211.00.

**Expenditures for FOUNTAIN SPRAY NOZZLES:**

1/79 — \$500.00  
2/9/79 — \$200.00  
2/15/79 — \$200.00  
2/23/79 — \$200.00  
5/3/79 — \$221.00.

**Expenditures for TILES:**

8/78 — \$551.00  
3/6/79 — \$1275.00.

**Expenditures for ARCHITECTS' FEES:**

6/21/77 — \$650.00  
3/3/77 — \$300.00  
9/30/77 — \$478.00.

(Additional amounts unknown.)

(A local plumbing company, members of the church,  
donated most of the labor and materials to build the  
Fountain of Faith.)